

Transfers of Income

KEESM 5720 & 5722.8

Lump Sums

- Lump sums are counted as a resource, not as income
- Total amount of the lump sum transferred is considered as an inappropriate transfer
- Total value transferred is used as the uncompensated value to determine the period of ineligibility

Example: Ima Injured received a Workman's Compensation settlement of \$100,000 in 12/07. She promptly transferred \$80,000 on 12/15/07 to her daughter. \$80,000 is the uncompensated value of the transfer and Ima would be ineligible for LTC payment for 585 days

Ongoing Income Transfers

The amount of income transferred will be considered available to pay the NF costs or HCBS obligation.

- Transferred income will be used in determining the patient obligation for NF or HCBS.

Example: Mr. Retired has total monthly income of \$1425. Upon entering an NF, Mr. Retired signs documents to have his \$500 annuity income payments made to his son, instead of to himself. The entire \$1425 amount is used when determining patient liability.

5/2008

KEESM 5723.1

TOP Section of your LTC training manual

Misappropriation refers to a loss of a resource or income as the result of an action out of the control of the LTC individual or spouse.

This type of cases will not be regarded as a Transfer of Property if misappropriation is substantiated by Adult Protective Service or other acceptable sources. The LTC individual or spouse is required to pursue recovery of lost asset as a condition of the misappropriation finding. LTC coverage may be provided while the individual is pursuing recovery of lost asset.

Example

Susan has entered the nursing facility, applied for LTC assistance, and appointed her son, Allen, as Power of Attorney. Once appointed, Allen withdrew \$30,000 from his mother's savings account and gambled away the money. The worker discovers what has happened and makes an APS referral. While waiting for the APS finding, the worker continues to verify all other necessary information. (LOC, MS-2126) The APS finding confirms fiduciary abuse. APS is working with Susan to find another power of attorney to help her and trying to work out a repayment plan with the son. AT this point, the worker approves NF Medicaid payment as there was misappropriation and the consumer is working toward recovery of assets.

This process determines if a penalty will be imposed.

KEESM 5725

TOP Section of your LTC training manual

Hardship Waiver removes the TOP penalty if severe deprivation is demonstrated as approved by the EES Program Administrator and KHPA policy staff. The individual or facility may request exception to a transfer penalty if application of the penalty would result in serious deprivation of medical care and food, clothing or shelter. The individual must have demonstrated he or she has exhausted all available reasonable means to secure available funding for necessary care.

This process determines if you will waive the penalty.